

A Guide for

RISING OUT OF HARD TIMES

**15 Steps You Can
Take to Keep You and
Your Business Afloat**



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Overview

The coronavirus has thrown the world into a tailspin. For many, panic, fear, anxiety and a sense of dread rule the day. We're told the economic fallout will be unprecedented, meaning every business and every business leader will be tested. Unless you are a member of Congress, the Administration or the Center for Disease Control, you can do very little to control the coronavirus crisis. But you *can* choose how you will respond to it.

Unprecedented times call for courageous leaders with a fearless mindset. Surviving the shut-down requires steely resolve and a warrior spirit. The motto must be "never say die." But this crisis calls for more than just a positive mental attitude. The degree to which you are impacted by the economic downturn will be determined by two things.

First, your ability to adapt courageously and quickly. Those who have a bias for action, who don't let fear immobilize them will have an advantage. The outlook is changing moment by moment. Many businesses, our lives for that matter, will never be the same. This means many of us are going to have to rethink, reimagine, reinvent and pivot quickly.

Second, your impact will be determined by your ability to build hope and confidence in yourself and others, followed by a plan and then, swiftly moving to execute on that plan.

In the chaos of these changing times the survivors will be those who take advantage of the downtime. They aren't sitting quietly, waiting for the economy to bounce back. Hope is not a strategy, but hope fuels the strategy.

When the economy rebounds, and it will, those who stand out and stay strong will be leaders who embrace the uncertainty with a fearless mindset and bias for action.

This is not a comprehensive list, but here are **15 STRATEGIES** you can use to increase the probability that you and your business stay afloat and come back stronger.



1. Face Tough Truths

Wanted! Leaders with nerve. Most failure in leadership is a failure of nerve. When you accept that you can't change what has happened you are no longer a prisoner to your circumstances.



The less time and energy you spend in denial or resisting change and uncertainty, the more time and energy you can devote to solutions that will help you climb out of the rut. To stay afloat you must be willing to confront the hard truths. Right now, everyone is going through hard times. Dig in, lift off the blinders and realistically evaluate your situation.

You can't fix a problem if you don't know it exists and you'll never know what fault lines are disrupting your business (or your life) if you don't get honest. Evaluate your spending, your resources and your mind-set to adjust for risks and uncertainty.

- Which clients are not likely to renew their contracts?
- How many receivables have canceled or postponed?
- How much cash are you burning through?
- Which employees are indispensable to your business?

Successful rebounders recognize, acknowledge and lean into the new reality. They experience the same cycles of grief that everyone else does, they just move through denial, anger, bargaining depression and acceptance more rapidly.

Sticking your head in the sand is tempting when you are surrounded by uncertainty, but your situation is not going to fix itself. Procrastinating exacerbates the problem and stalls progress.

Finding the nerve to face reality and take decisive action is your way forward.

2. Do Better, Not More

It seems counterintuitive, right? Everything in our hearts and minds says, “Work harder, longer. Do more.” There’s no question that it is harder to earn the same dollar today than it was a few years ago. And, with the economic crisis we’re in it will be even harder. So, if *try harder, do more* seems like the right strategy, these challenges could prove that wrong.

Uncertainty, chaos and panic cause us to feel scattered. If we act on those feelings we become distracted and unfocused which dilutes our energy and impact. We’re at a tipping point that is calling us to re-evaluate and re-prioritize everything. Evaluate business offers against current, real-time needs, ask:

Everyone in your business needs to fire on all cylinders. Make sure every team member has a call to arms and is laser clear on the three things they should be doing to position and possibly pivot your business for recovery.

S **TART.** Is there anything we should **START:** new products, new marketing, new ways to serve customers, new approaches to social media, upgrading a website or reworking presentations,

S **TOP.** What should we **STOP:** products/services you can no longer deliver, projects and activities you don’t need, or projects that can be scaled back,

C **ONTINUE.** What should we **CONTINUE:** high-leverage projects and activities that have the best shot at helping you regain traction by meeting a current need.

The key is to sharpen your focus. Be judicial, even ruthless with your time, money and resources in the next three months.

3. Clean Up Your P&L

Make a list of all expenses and cancel everything that is discretionary to your business and your life—the “nice to haves” versus the “must-haves.” Stop unnecessary automatic payments. Many lenders are offering deferrals and other kinds of temporary relief. Here are a few ideas:

- Seek 3-4 month payment deferrals on leases, mortgages, loans, etc.
- Renegotiate terms on rent, auto or equipment leases.
- Negotiate extensions for any outstanding service contracts.
- Seek cost reductions for things like travel, shipping, credit card processing fees and legal fees.
- Work with customers to create new payment plans.

If you are a small business, cut with precision. Your business may never recover if you cut too deep or wait too long. Yet, if you don't cut enough, negative cash flow will take you out. Apply for all financial support opportunities that are offered. Be persistent, track down, apply and claim cash that the government is providing as soon as possible. Be relentless about finding the dollars and the assistance, there is no shame pursuing help to continue to operate your business and feed your family.

Don't go it alone. Exercise wisdom and discernment by talking with knowledgeable people, people you respect. You never know what's possible unless you ask.

4. Proactively Manage Your Debt

Review various cashflow scenarios. Start with prioritizing your payables. Line up who you will pay, when and how much you will pay them.

Anything that could shut your business down—obligations that impede your ability to deliver your product or service or keep you from making money should be paid first:

- Pay all bills with large penalties, like taxes and high-interest credit cards.
- Look at payroll, what employees are indispensable to the business? Can they stay on payroll, if not, is there a creative alternative to letting them go?
- Who are the vendors with must-have resources? Try negotiating payment deferrals or other options.
- Pay anything late to maintain a high credit rating for when the economy rebounds.

In a crisis, it may be tempting to take on new debt, leveraging it against a high probability of getting a multiple return on investments in the business. Or, it may also be tempting to take on new debt to bridge the gap, knowing there are receivables. Either way, tread cautiously, it's important to make sure you have enough data-driven support to warrant the risk.



5. Courageously Communicate with

It's easy to become paralyzed and go underground to avoid the unpleasant "we can't pay you now" conversations. Dare to ask. Most people are willing to work with you if they believe you are being genuine and straightforward.

Do this by preempting collection calls with upfront and honest communication. If business partners have to pester you, it sends a message that you are running from them, which elevates suspicion and increases their urgency. If there was ever a time to request understanding and help from those you owe money, it's right now. Write a short email or make a call. Here are some things worth asking for:

- loan forgiveness,
- no repayment period,
- interest-only terms,
- a longer loan amortization (time for repayment),
- rent abatement or an extended deferral period,
- any other discounts that are available.

As uncomfortable as it might be, over-communicate with creditors to put them at ease and to ensure that critical accounts stay open as you work your way through the crisis. Fearlessness is stepping into difficult conversations with goodwill and gravitas.

6. Think Like an Outsider to Pivot

To increase your cash flow now, simplify your product offerings and even consider modifying them. New ideas often come from unfamiliar people in unexpected places. If you're in the restaurant business and you only talk to restaurateurs, it's easy to commiserate about how the industry has been devastated because you are all experiencing the same thing. But commiserating doesn't change anything.

Once you get information from your industry, it's often too late. Everyone has it. Even if you access information faster than others, how much real differentiation can you create? Instead, learn and borrow from what others are doing. Look outside your industry and ask, "What are they doing to climb out of this crisis or bring in cash when the doors are closed? And how can we apply some version of *that* in our business?" Here are a few examples we're seeing:

- Restaurant's offering 2-3 daily take out or drive-thru items every day.
- A hair salon offering each client a personalized hair coloring kit that ships directly to their home.
- A dental practice offering patients discounts on future teeth whitening if they buy now.

- Yoga studios helping people reduce stress by offering online Yoga classes.
- Gyms keeping us healthy through online access to workouts and fitness coaches.
- Meeting planners re-negotiating future venue rates for postponed meetings and events.
- A local florist is encouraging people to send bouquets as a way to reach out and connect.
- A plastic surgeon is hosting personal consults on FaceTime with clients interested in exploring elective surgery post quarantine.
- Nashville artists and musicians are streaming Kitchen Concerts
- Cucina, one of our local favorite restaurants in San Diego is offering curbside pick-up nightly 4-7:30 delivered with G(love)s.

We're in the speaking business and several of our events have been canceled, others have been postponed. In response, we're offering our clients tailored, online programs that are even more robust than we can deliver at a large event in a one-shot keynote.

Think back to the 1960s, a decade responsible for some of the best, heartfelt music created in hard times. The same is true for innovation. In huge challenges there is also huge opportunity. Some of the most creative solutions to complex problems come when people are in a crisis.

We've been forced outside the comfort zone. Everyone and everything is being disrupted. So why not use this time to shake up your approach and try something new and different? Something that will make you and your business better in the future.

If you stay open to new ideas you might find a new project, new product or win some new customers which could be the shot of energy and confidence your business needs.

CUCINA TO GO

**CUCINA enoteca Del Mar +
CUCINA enoteca Newport Beach**
tuesday - sunday | 4 - 7:30 pm

We are practicing safe curbside pickup. We'll run your food + beverage out to your car with g(love)s! 🍷❤️





7. Reduce the Perks


Reduce Perks and Benefits. Great people are hard to find. Replacing these people and training new people is expensive. So hold on and hold off if you can. That said, if you need to cut staff and don't, there may not be a business left for anyone, which serves no one. But before taking that drastic measure review all perks and extras, then, look carefully at what should be temporarily suspended.

Most employees rely on health insurance as an essential part of their employment package, but that doesn't mean you can't cut premiums by raising contributions and co-pays.

And what if you consider deferring 401(k) contributions, expensive dental plans, wellness programs and club memberships?

Reduce Payroll. If payroll is your biggest expense, reducing it may be a big step toward recovery. Yet it's hard, if not impossible to run a business well with a skeleton crew. Those who remain, end up working longer and harder and become far less effective. As job loss is mounting every day and fear of it is rising as well, people may be more willing to take pay cuts and get creative with job sharing. Before laying off people, look for viable options.

If you are a business owner, or a leader you should lead by example and be the first person to take a cut in pay.



It shows you are willing to take personal responsibility for coping with the economic fallout of this crisis.

Reduce Hours. Putting a freeze on overtime or going to a four-day work week may be a tremendous hardship for some people. But if it saves 20% of your payroll, this could be the difference between surviving and not. Most people will appreciate the fact these cuts reduce or avoid layoffs and will step into the breach to keep the business productive.

8. Invest in Outreach

Don't Hunker Down. This is the time to put all hands on deck and increase your marketing effort. Of course, the pushback is, "You don't understand. We don't have the budget for expensive marketing firms." Right, but the key to surviving hard times isn't to eliminate marketing efforts. It's time to get creative and *replace* them with unconventional, low-cost, high-impact activities. For example:

- **Launch a customer referral program,**
- **Offer a prepay on future services if they buy now,**
- **Build a social media contest,**
- **Make yourself newsworthy,**
- **Participate in industry discussion forums, podcasts and webinars,**
- **Develop content marketing that truly serves, even if it means a temporary pivot.**

Stay Close to Your Customers. It is more critical than ever for you to be in touch with those you serve.

Every business is a people business. Take an interest in your clients. When people are hurting they remember who was there for them when things got difficult and dark. In this crisis your customer's needs may have changed, what can you do to pivot and offer a solution to their current needs? Relationship-building is key. Your brand is enhanced by the way you partner with your customers to serve them in good times and in the bad times. Courageous and creative connections will lead to long-term loyalty.

9. Think Future Scenarios

At some point, virus testing kits, ventilators, and ICU beds will become more robust, a vaccine will become available and we will starve the virus. As this happens, people around the world will say, "I've had enough" and retailers, restaurants, schools, offices and factories will reopen.

In anticipation of a recovery, give yourself and your team as many options as possible. Surround yourself with big, bold thinkers and people who have a track record for gaging the market. Create as many possible scenarios as you can. Ask:

- **What else could go wrong?**
- **How bad could it get?**
- **What could go right?**
- **Where are the opportunities?**



Think about what has already changed and ask: “If our segment of the market sees a rise in demand because more people are working virtually, are we prepared for the demand? If public places remain closed for some time how will we deal with rents and leases on our facilities? As consumer habits change do we have the right product mix?” Then, pivot to develop a plan for each.

StoryBrand is a recent startup that has gone from nothing to \$10 million in revenues in just three years. As this crisis elevated, the founder and CEO, Don Miller, told us he immediately revised three plans and asked his team to respond to the pivotal opportunities in each:


- **Cash Flow Plan:** Have a plan for 30, 60, 90 days out. How long will it be before we have to access our reserves?
- **Financial Plan:** How will we grow the business in this crisis?
- **Business Strategy Plan:** How have our customers’ pain points changed?

- **How will that change our messaging and delivery? How should our products and services change?**

Waiting to see what happens and then reacting offers a false sense of safety. Now is not the time to wait and react. It’s a time to reject rigid, mechanical thinking that assumes there is one right answer to moving through these hard times. The nature of this virus and the economic fallout calls for a fluid approach. Running through various possible scenarios with plans for each, positions you to move with speed and agility.

10. Diversify

The concept of diversification in the world of finance is a no-brainer. If your portfolio is broad and one investment struggles, you have others to off-set the pain.



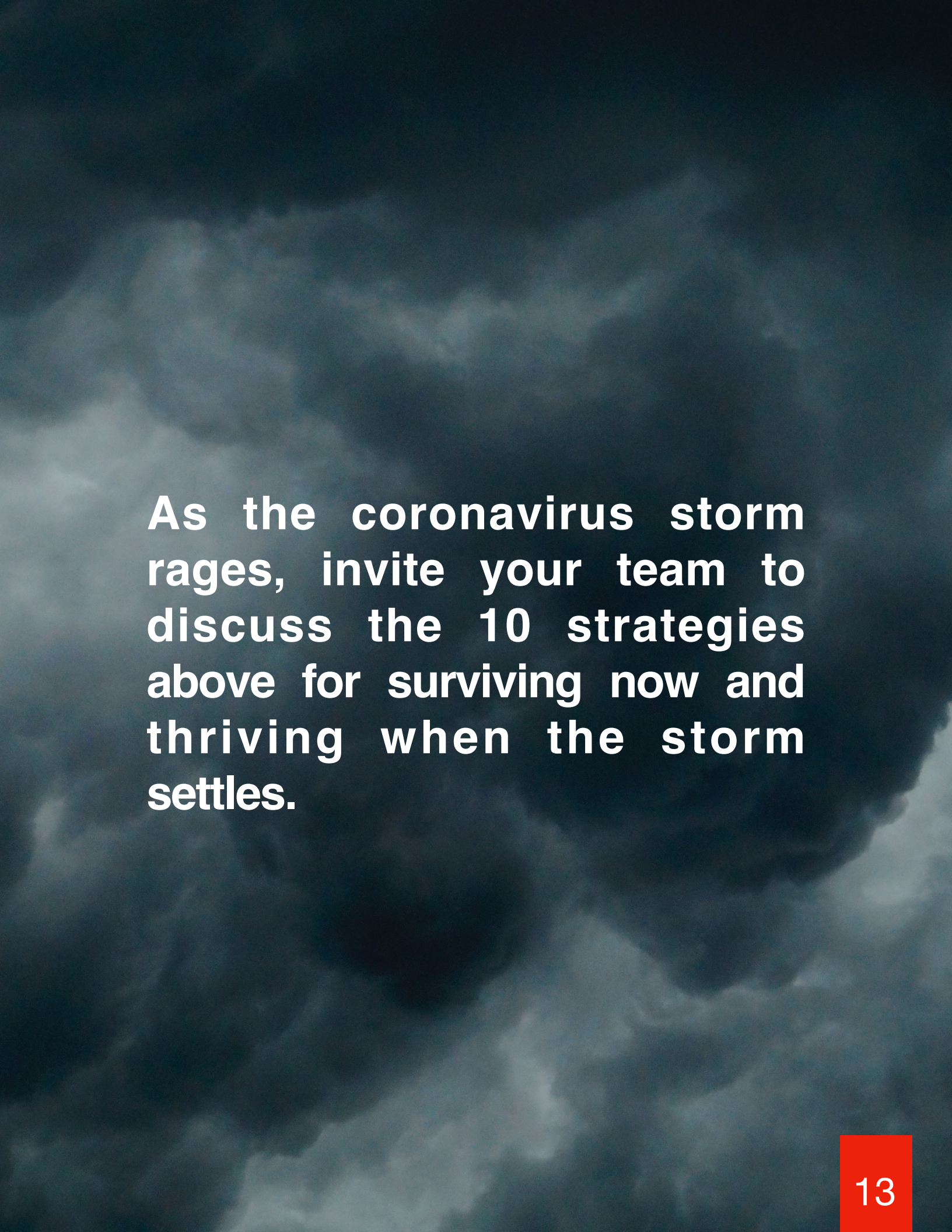
The same is true in business. If you are dependent on one source of income you are at risk. Options provide more freedom. Diversification in terms of products, services and strategies helps you weather bad times by spreading out risk and narrowing the window of vulnerability.

Many successful businesses have focused on one product and keep winning. Think Crocs footwear, Michelin tires and WD-40. But the world is loaded with firms that have hedged their bets through diversification.

Apple Computer changed its name to Apple, Inc. to accommodate phones, tablets and TVs. Tesla, an auto manufacturer is becoming a major player in batteries. Amazon went from selling books to selling everything, including high-tech infrastructure.

Use this shut down as a time to consider products and services that are adjacent to your core competence? These adjacencies could spread your risk and help you stay afloat.



The background of the slide is a dramatic, low-key photograph of dark, heavy storm clouds. The clouds are textured and layered, with some lighter areas where light breaks through, creating a sense of depth and intensity. The overall color palette is dark, with various shades of grey, black, and muted blue.

As the coronavirus storm rages, invite your team to discuss the 10 strategies above for surviving now and thriving when the storm settles.

**Here are five more steps you can take
to promote the well-being of your team
and keep them firing on all cylinders:**



11. Lead with Resilience

Resilience is the difference between giving up and getting up. Where does it come from? It comes from defiance. It is an intolerable “no” deep within. And when confronted with adversity, that voice deep within says “No!” to fear:

- No, I will not be “taken out” today,
- No, you will not distract and derail me,

- No, you will not disrupt my momentum, and,
- No, you will not diminish my potential.

Resilience is another priceless superpower, it affects everything, from your ability to dispense hope and your capacity to solve problems to your spiritual, mental and physical well-being.



This kind of defiance gives you courage. It gives you access to the full weight of your talent and allows you to play in the upper range of your potential when adversity strikes. When you model resilience you dispense hope.

12. Create a Community


Community is more than fitting in, community is belonging. It's about sharing common beliefs, shared investment, mutual support

and being together in a way that makes us feel engaged, accepted and whole.

Even though our deepest human desire is to engage and connect, when times are tough there is a tendency to self-isolate. And with the coronavirus crisis, isolation isn't even a choice, it's a mandate. Whatever it is you are feeling—fear, anxiety, guilt, shame or stress—it's easy to assume you are alone in this. Even though you know this is a global experience, it's not unusual to wonder, “why are these feelings rising up disproportionately in me.”

Do not go this alone. Be intentional about





who you seek for comfort and support. It is so important to have the right people around when times get tough. In our connections, we gain perspective. Choosing counsel and support from calm and grounded people will serve as a healthy buffer during hard times.

The research is pretty clear. People who have community have a higher level of psychological and physical well-being. This comes as no surprise to us. We have a deep faith grounded in the image of a relational (Father, Son and Spirit) God. We know we are wired for connection and community and we fully understand this is not a time to emotionally isolate. This is a time to connect or re-connect and check-in on people you care about.

13. Empathize and Unify

In a crisis, leaders typically manage the business from a spreadsheet and manage the culture by walking around. But this crisis is different. Now, walking around is virtual.

Don't assume you know what scares people. Meet them where they are and keep in mind everyone handles crises differently. They are in different places financially, emotionally, mentally and physically. One size doesn't fit all, one size fits one. So, dig deep and double down on active listening. Make it safe for people to talk about what they are thinking, feeling, fearing and experiencing.

Remember we are designed to choose and we are defined by our choices. We have a choice in these crazy times. We can be our nervous, neurotic worst selves when we're scared or we can be our best and bravest selves.

There is no denying, empathy requires vulnerability. This pandemic is a macro test of our collective vulnerability. Here are a few suggestions for bravely spreading empathy and creating unity:

"I care about you" may be the most important thing you need to communicate during this crisis:

- I care about your well-being,
- I care about your family and your obligations and,
- I care about your safety and security.

"We are in this together." When crisis hits, there is no normal. To know we are not alone is assuring. There is a calming affect when a leader says, "we will get through this together."

As we've noted, vulnerability is a superpower. Express it by letting people know:

- How the crisis is affecting you and your family.
- Share your fears.
- Be transparent, talk about how you're managing the uncertainty.
- Be honest about your good moments your bad ones.

This makes you real and approachable. Then ask, "Tell me how it's impacting you? Your family? What's working and not working for you?"



“I believe in you.” As you read, more people are learning to work remotely, more people are facing uncertainty and each day presents ongoing risk and exposure. People need ongoing reassurance. When team members look into the eyes of a leader they’re looking for trust and affirmation.

What you believe about people and how you treat people makes a difference. Toxic, critical, fear-stirring bosses will drag people down. Brave, empathic, forward-thinking leaders will draw people up in times of crisis.

Until proven otherwise, assume your team has a great work ethic and truly cares about the survival and growth of your business.

Assume they are willing to make sacrifices to help your business weather this storm.

There are no heights to which the human spirit cannot rise when someone believes in you. It makes you stronger. It lifts you up.

The glory of friendship is not in the outstretched hand, nor the kindly smile, nor the joy of companionship, it is the spiritual inspiration that comes to one when he discovers that someone else believes in him and is willing to trust him.

Ralph Waldo Emerson

14. Communicate Through the Clutter

We all have a need to press through uncertainty, to gain clarity and direction. It comes from our insatiable need to be in control. In the absence of clear and accurate information, fear grows. Then, people come up with their own answers to eliminate fear and regain control.

While business leaders work hard to keep their employees informed, misinformation, half-truths and confusion have spread as fast, if not faster than the coronavirus itself. People don't want "BS," they want assurance that the business is prepared and there is a plan (or a plan in the making) for getting through this crisis. In the world of communication, clear is kind.



Yet, as fast as things are changing, this may not be possible. Leaders must have the nerve to tell the truth, which may be, "I don't know. I don't know how long this will last. I don't know if this is going to be a three, six or 18-month climb out and recovery. I don't know how many of our people will be affected by this? But here is what we are rigorously doing to find out."

The key is clarity, consistency, transparency, authenticity and when possible, accuracy.

15. Drive Performance Virtually

Performance does not have to suffer because there is no new normal. Now is the time to double down on driving high performance, even if it has to be done virtually. Here are four common practices shared by all high-performing organizations:

Demand consistency of leadership

High performance organizations make everyone accountable to the same leadership standards. That is, if you are a shaker and mover in the organization, but you're toxic and dysfunctional, you won't make it. Why? Because people notice that you do not model corporate values and culture suffers. Individuals win games, but team players who make others successful win championships.

Remind your leaders that people are looking to the them for validation and reassurance. This time of uncertainty is calling for leaders who can balance their analytical skills with their people skills. We need leaders who can develop smart strategies and who can deploy the empathy, benevolence and hope that inspires people to make those strategies work.



A top-down view of four rowers on a team boat, viewed from above. They are all rowing in the same direction, with their oars dipping into the water. The rowers are wearing different colored shirts (blue, black, white, and white), but they are all wearing the same black rowing gear. The boat is a sleek, narrow racing shell. The background is dark, and the water is visible at the edges of the frame.

Promote alignment

High performance organizations, row in the same direction, that means everyone is strategically aligned and unified in accomplishing specific goals.

More than ever, the leader's job is to establish a north star or paint the big picture of what the organization will look like post-crisis. Then, great leaders will show people exactly where they fit and what role they play in reaching the north star.

Even though isolated and distanced, it's critical to engage in daily huddles and updates to connect the dots for people. When strategy and purpose are crystal clear, people find the courage to nimbly adapt to changing conditions.

Rethink Engagement

Do not let engagement suffer during this chaotic time. Even though people are disrupted, isolated and distracted, they still hunger for connectivity—the human kind. Here's how leaders and their people are finding ways to grow engagement:

- Daily huddles and weekly lunches with colleagues on Face Time,
- Co-workers giving video tours of their remote work locations,
- People are introducing team members to children and pets who become the highlights of the meeting,
- People are showing up authentic, casual and unplugged not pressured to dressed up and look professional,
- People are scheduling end-of-week virtual happy hours and sipping “Quarantinis” together online.

The Good news is people are staying engaged in creative new ways. Apparently, our desire to connect, to be together, is greater than our discomfort with virtual communication channels.



Execution is Everyone's Job

Execution thrives when there is consistency in leadership and when everyone is aligned, engaged and willing to take action. Execution requires everyone to envision the end and work relentlessly to help the business rebound.

Here are a few questions to ask yourself and your colleagues in this time of uncertainty:

- What practices defined above are in need of more attention?
- Are we showing up consistently and giving direction and empathy as needed?

- Is our strategy clear, is everyone rowing in the same direction?
- Are people clear about their roles in achieving our vision?

In the chaos of these changing times the survivors will be those who take advantage of the downtime. They aren't sitting quietly, waiting for the economy to bounce back they are leading with fearless optimism, pivoting where they can and planning through the uncertainty.





FINDING THE NERVE

to face reality and take decisive action is your way forward.



EPICWORK**EPIC**LIFE

JACKIE & KEVIN FREIBERG

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